

REPORT OF THE WELLESLEY TOWN GOVERNMENT STUDY COMMITTEE TO THE 2004 ANNUAL TOWN MEETING

Introduction

The Wellesley Town Government Study Committee ("TGSC") is pleased to submit this report of its process and recommendations to the 2004 Annual Town Meeting. The committee consists of Michael Brown, former Selectman and former member of the Human Resources Board; David Dinwoodey, former Library Trustee; Margaret Metzger, Town Meeting Member and former Library Trustee; Sheila Morse, Town Meeting Member and former co-chair of WISE (Wellesley Initiative Supporting Education); Betsy Snyder, former President of the League of Women Voters; Judy Weil, Town Meeting Member, former President of the League of Women Voters and former member of the Human Resources Board and Richard Ienlyck, former Commissioner of Public Works.

Background

At the 2002 Annual Town Meeting, members voted to establish a new Town Government Study Committee "to study whether the organization and structure of Town government could be improved." This committee identified concerns facing our Town government, including a need for better townwide strategic planning, strains in coordinating operating and capital budgets, and departmental needs for financial training and access to data and tools for budgeting and financial management. The report to the 2003 Annual Town meeting noted that the TGSC believed that these concerns could be addressed by strengthening the processes of Town government instead of undertaking major changes in the form of Town government. The 2003 Annual Town Meeting unanimously approved the recommendations in that report in the following areas:

- Strengthen the Town's strategic planning process;
- Develop a townwide process for formulating capital and operating budgets;
- Strengthen and formalize the responsibilities of the Office of the Executive Director to provide additional centralized services to other boards and departments;
- Improve the process for handling citizen inquiries; and
- Make any necessary administrative or bylaw changes to allow for up to two consecutive terms of service on the Advisory Committee.

The Committee was directed to continue in existence for a second year in order to develop plans for implementing each recommendation. A copy of the 2003 Annual Town Meeting vote is attached as Appendix A to this Report.

Our work to date

Throughout late summer and the fall, the TGSC met with representatives of major boards and consulted with staff at both the Town and State levels. We discussed strategic planning, budgeting, and other items arising from the work of our predecessor committee. As a result of this work, we initially developed the concept of an "inter-board committee" made up of board chairs to facilitate coordination and collaboration among boards. We believed that such a committee,

acting as a forum or working group, rather than having independent authority, could enhance communication of needs, understanding of constraints, and clarity of planning and budgeting processes.

Response at our first public hearing to this idea was generally not positive. While our goals were considered laudable by most attendees, practical concerns related to workloads and political concerns related to power were expressed. Concerns were also raised as to the propriety of a new committee to take on responsibilities that, under current bylaws, were already in substantial part charged to the Selectmen. After further review and discussion, we abandoned the idea of a new committee and redirected our efforts towards working within the structure and organization presently in place.

Considerations

Town resources are tight and competition for scarce dollars is increasing. Town expenditures on capital and personnel are under close scrutiny. Overrides have become common. Citizens, concerned about increasing taxes, traffic, and regional issues, assume but are not confident that the Town has an overall plan for the future.

While the town struggles with scarce resources and scarcer dollars, we believe that there is a component in the Town's financial equation which needs urgent attention. That component is "confidence."

- Confidence for Town Meeting Members who may support budgets more readily knowing that expenditures and programs have been looked at from a townwide perspective, that budget demands have been tested against the Town's objectives and priorities, and that the pros and cons have been weighed across competing demands for resources and services.

- Confidence for voters who may support overrides more readily knowing that the Town's boards have done the best they can to work together, to go beyond their own constituencies to get feedback and ideas, and to make hard choices to cut back services and personnel where necessary or advisable.

- Confidence for boards and departments who may work better with each other knowing that the playing field is level, that they all have access to the same data, that they are apprised of what others in Town are working on and how it affects them, their resources, their jurisdiction, and their projects.

Confidence is a critical requirement. To build confidence, we need to find better ways for boards and departments to collaborate on budgets, open the process, communicate about needs, discuss competing priorities and goals, and coordinate whenever possible. We need to find a way for our leaders to develop and share a townwide vision and to act on behalf of the Town as a whole. We need to nourish our citizen-based government.

Recommendations

Our current bylaws already set forth certain planning, budgeting, and coordinating duties for the Selectmen and Executive Director. We propose to clarify and refine the role of the Selectmen through reemphasizing and elaborating upon duties already in the bylaws and to provide guidance for the Executive Director's role to include that of an administrative facilitator, for the benefit of the Town as a whole.

Our proposals cover the following five key townwide objectives:

- Annual townwide strategic planning process
- Townwide, multi-year capital budgeting process
- Annual townwide operating budget process
- Townwide administrative services to boards and departments
- Additional term of service on Advisory Committee

Our first four recommendations involve functions of the Selectmen and the Executive Director; the last addresses the issue relating to Advisory Committee members' term of service.

From the townwide perspective, we propose that the Selectmen take affirmative steps toward delivering a strategic plan, look closer at townwide capital budgeting requests and financial impacts, and formalize more of the current operating budget process. We ask the Selectmen to make oral and written presentations to Town Meeting on their progress. In addition, we outline specific proposals to enrich the roles and responsibilities of the Office of the Executive Director as defined in the bylaws.

We propose no radical change, but instead lay out what needs to be done to improve overall effectiveness, involvement, understanding, and confidence. We want to get the townwide processes started. These processes may seem daunting and arduous at the outset but, once the groundwork is laid in the first phases, we believe they can become a matter of routine over time.

Note that the bylaw language throughout this report is intended to represent our current thinking. We intend to continue discussions with the boards and to possibly modify some of the bylaw text in response to comments as we prepare for Town Meeting.

Recommendation #1 - Annual townwide strategic planning process

The goal of strategic planning is to identify and/or reaffirm the Town's key values and objectives. Specific topics to be addressed in a strategic plan should include:

- **Concise articulation of vision**, addressing questions such as: What are the primary values of the Town? What is essential to achieving and/or maintaining those values?
- **Delineation of priorities and opportunities for cooperation**, focusing on interrelationships among departments, conflicts among departmental goals, and competition for available resources.
- **Broad assessment of challenges**, reviewing townwide performance, taxes, assets, technology, capital, and infrastructure within the context of state and federal regulations and the general economic climate.
- **Planning for the future**, anticipating costs, opportunities, risks, and trends.

We recommend that the Selectmen design a strategic planning process and that the Executive Director coordinate and facilitate the process. And while the Selectmen will champion and drive this process, the plan that results ought not to merely reflect the views of the Selectmen and the Executive Director. This process should create the Town of Wellesley Strategic Plan, providing context to our past and guidance for our future.

Strategic planning is an imposing challenge. Through the current Bylaw 19.16, the duty to coordinate its preparation, maintenance, and presentation to Town Meeting is already assigned to the Board of Selectmen. As such, our proposals here do not add to that board's bylaw responsibilities, but, rather, help to define a workable framework within which the planning process can thrive on a townwide basis.

We propose a two-phase schedule for building and implementing a comprehensive strategic planning capability within the Town. The process will involve Town officials – elected and appointed – supported by staff and, where necessary, consultant services. Because the Planning Board and Planning Department have experience and competence in planning processes, we encourage the Selectmen to engage their assistance.

Phase I

Create Executive Summary Report: Town departments report their goals, challenges, key accomplishments and ongoing projects in the Annual Town Report each year. The initial foundation for planning should draw upon these and other available documents. For the 2005 Annual Town Meeting in both written narrative and oral presentation, the Executive Director will compile and deliver an executive summary report of department strategic plans, highlighting key items, capital projects, and resource requirements. The Executive Director's report should note correlations, synergies, and conflicts and would provide an easily understood and accessible snapshot of where the Town is, where it is heading, and how it is planning to get there, an overview of completed, ongoing and projected projects, and a resource for reference and comparative review.

Develop Strategic Planning Process: Also during Phase I, the Selectmen will develop the protocols for a townwide strategic planning process. Prepared in consultation and collaboration with other boards, this process will outline how the Town should address key strategic questions (priorities, resources, and costs). In addition, we recommend that the Selectmen present and discuss their ideas for this new strategic planning process with interested citizens in one or more public hearings. For the 2005 Annual Town Meeting in both written narrative and oral presentation, Selectmen will deliver their program for a townwide strategic planning process. To complete this design in a relatively short timeframe and to take advantage of the extensive knowledge base about planning processes, this development task may require a budget item for consulting assistance.

Phase II

Following the 2005 Annual Town Meeting

Coordinated through the Selectmen and facilitated by the Executive Director, boards and departments will participate in the strategic planning process over the next year following the 2005 Annual Town Meeting, discussing implications, challenging assumptions, exploring areas for collaboration, and balancing resources against requirements. Discussions among elected and appointed officials and staff will provide 1) Town leaders with an opportunity to test and validate their priorities with each other, 2) the Advisory Committee with valuable data for consideration in preparing their recommendations to Town Meeting, and 3) Town Meeting members and other interested citizens with greater understanding of the Town's needs and trade-offs.

At the **2006 Annual Town Meeting**, the Selectmen or the Executive Director, if requested by the Selectmen, will present the Strategic Plan orally and in a written report. The Strategic Plan will be updated on an annual basis thereafter with a written and oral presentation to the Annual Town Meeting.

We propose that this enhanced strategic planning process be carried out under a revised Bylaw 19.16. The bylaw sets forth the primary elements of the Strategic Plan and the respective roles of the Selectmen and the Executive Director in carrying out the process, including specific reporting requirements to the Advisory Committee and to Town Meeting. Bylaw 19.16 would read substantially as follows (*changes are in italics*):

19.16. *Townwide Strategic Plan.* The Selectmen shall be responsible for coordinating the preparation, maintaining and presenting annually to the Town Meeting a *Strategic Plan* for the Town, *as follows*:

a. *The Strategic Plan shall encompass and reflect: (i) the mission statements or objectives of each board and department, (ii) the identification of broad community goals and priorities, and recommended actions for coordinating and integrating board or departmental objectives within a townwide context, (iii) the influence of existing or anticipated financial constraints on the ability of the Town to pursue to objectives of the Strategic Plan, (iv) an annual assessment of the Town's progress toward the Strategic Plan's objectives, and (v) such other matters as are deemed appropriate by the Selectmen. Any annual Strategic Plan may, in the discretion of the Selectmen, be in the form of an update of the most recent prior Strategic Plan, rather than a full restatement of the Strategic Plan.*

b. *In preparing the annual Strategic Plan, the Selectmen shall affirmatively seek the views of all Town boards and departments, Wellesley residents and other constituencies. All Town boards and officers shall fully cooperate and participate in the preparation of the Strategic Plan.*

c. *The Selectmen shall in each year submit the Strategic Plan to the Advisory Committee in a timely manner so as to permit the Advisory Committee to review and evaluate the Strategic Plan and to include the Strategic Plan, together with any recommendations or comments of the Advisory Committee, in the Advisory Committee's primary Report on the warrant for the Annual Town Meeting pursuant to Section 11.8 of the bylaws.*

d. *The Executive Director, under the direction of the Selectmen, shall have the primary responsibility for administering the Strategic Plan process pursuant to this Section 19.16. The Selectmen, or the Executive Director at the request of the Selectmen, shall deliver an oral report to the Annual Town Meeting on the Strategic Plan and relevant developments concerning the Plan.*

Recommendation #2 – Townwide, multi-year capital budgeting process

The Town's Strategic Plan and the priorities contained therein drive the capital budgeting process, which includes various cycles such as ongoing building maintenance needs, useful life of Town buildings and capital improvements and the urgency of various capital needs, all measured against available funding resources. Current Bylaw 19.5.2 directs the Selectmen to coordinate the timing of proposed capital projects and to take into account their relative need and cost. In recent year, the Selectmen have limited their involvement to the Bylaw task of compiling and presenting the consolidated capital budgets as prepared by the independent boards.

We believe that the Selectmen can add value to the process by analyzing the anticipated use of borrowing (both inside the levy limit and outside, subject to an override ballot) and the impacts of such borrowing on the Town's overall debt structure and anticipated property tax rates.

We also propose that the Selectmen hold at least one annual public hearing on the proposed capital budget program, make a timely submission of the program to the Advisory Committee for its review and comment, and make both a written and oral report, including recommendations where appropriate, on the program to the Annual Town Meeting. Our goal is to encourage the Selectmen to more actively manage the capital budget process and to make that process more visible, understandable, and accountable.

We propose to change the relevant Bylaw, 19.5.2, to read substantially as follows (*changes are in italics*):

19.5.2 Report of Capital Projects. The Board of Selectmen shall coordinate the preparation and maintenance of the Town's Long Range Capital Budget Program as follows:

a. The Selectmen shall work with other boards in coordinating the timing of proposed capital projects, taking into account the relative need for and cost of such projects, the effect the expenditures might have on the financial position of the Town, and alternative methods of financing.

b. On the basis of the information submitted by each board pursuant to the provisions of Section 6.16, as may be modified with the consent of such board, the Selectmen shall compile and present to the Annual Town Meeting a Five Year Capital Budget Program for the Town showing anticipated capital projects *and their sequencing, the anticipated use of borrowing for such projects and the impact of such anticipated borrowing on the Town's outstanding debt and its property tax rates in upcoming years, and any anticipated Proposition 2 ½ debt exclusion overrides in connection with such borrowing.*

c. *The Selectmen:*

(i) *shall submit such Five Year Capital Budget Program to the Advisory Committee in a timely manner so as to permit the Advisory Committee to review and evaluate such Five Year Capital Budget Program and to include the Five Year Capital Budget Program, together with any recommendations or comments of the Advisory Committee, in the Advisory Committee's primary Report on the warrant for the Annual Town Meeting pursuant to Section 11.8 of the bylaws;*

(ii) *shall hold at least one public hearing on the Five Year Capital Budget Program prior to its submission to the Advisory Committee for the purpose of permitting interested residents and others to comment upon or question any aspect of the Capital Budget Program; and*

(iii) *shall deliver an oral report to the Annual Town Meeting (or shall request the Executive Director to deliver such oral report) on the substance of the Five Year Capital Budget Program, including any recommendations or comments thereon as the Selectmen may deem appropriate.*

d. The Selectmen shall recommend to the Annual Town Meeting a proposed method of financing for each capital project proposed to be submitted for approval at such Town Meeting.

In addition, under Bylaw 6.16, each board currently has a responsibility to submit capital estimates to the Selectmen for inclusion in the Five Year Capital Budget Program. Within the context of the Strategic Plan, boards will also be asked to evaluate how each capital project conforms to the objectives and priorities contained in the Strategic Plan. The necessary change to Bylaw 6.16 would to read substantially as follows (*changes are in italics*)

6.16. Capital Budgets. At least 90 days before the Annual Town Meeting, each board shall submit to the Selectmen estimates of the amounts recommended by the board for capital projects annually for a period of five years. An explanatory statement shall accompany each estimate, *which shall indicate whether each proposed capital project is consistent with the Strategic Plan prepared pursuant to Section 19.16 and shall provide such additional information about the proposed capital project as may be requested by the Selectmen.*

Recommendation #3 - Annual townwide operating budget process

The Town's strategies and priorities also drive the operating budget process. Budgets will continue to be developed within individual departments, reviewed by the Advisory Committee and presented to Town Meeting for approval. We believe, however, that budget-making by individual boards should also be informed and influenced by the kind of coordination process among boards which the Selectmen initiated last year. The Selectmen should convene public meetings with board chairs and department heads (defined in Bylaw 1.2.b as "officers") to develop common parameters and information for the annual budget process. Where they deem it necessary, the Selectmen should be expected to offer recommendations or advice to boards regarding appropriate budget goals, whether for individual departments or on a townwide basis. In this process, the Executive Director can be an effective facilitator by developing consistent budget presentation formats for Town departments and by making relevant financial information, technical support and analysis (including year-to-date financial performance) available on a timely basis. The expected outcome will be budgets which will better stand the test of close inspection by Advisory, Town Meeting and, in the event of overrides, the voters.

To clarify and confirm the proper role of the Selectmen, we propose to add a new Bylaw, 19.15A, to read substantially as follows:

19.15A. Townwide Budget Process. *The Selectmen shall facilitate the preparation by Town boards and departments of their respective operating and capital budget requests by:*

(i) *convening one or more meetings with board chairs and officers at an early stage of the budget process for the upcoming fiscal year, to consider the parameters of the overall Town budget based upon anticipated State or other revenues, expected adjustments in the Town's levy limit, the relative demands for services anticipated by each Town board or department, the recommendations (if any) of the Advisory Committee with respect to budget guidelines or constraints, and similar factors;*

(ii) *making recommendations as they deem necessary and/or offering guidance to Town boards with respect to appropriate overall targets for departmental and/or townwide budgets for the upcoming fiscal year; and*

(iii) *causing the Executive Director and the Department of Financial Services to be available as a resource to all of the Town boards and departments on financial and budgetary matters, all as described in Section 19.41 of the bylaws.*

For the Department of Financial Services under the Executive Director, we propose to change the relevant Bylaw, 19.41, to read substantially as follows (*changes are in italics*):

19.41. Department. The Town shall have a Department of Financial Services under the jurisdiction of the Selectmen. The Department shall be under the supervision and management of the Executive Director, as the chief financial officer of the Town. Its duties and responsibilities shall include, but not be limited to, assisting the Executive Director, *Town boards, and officers in the following:*

...

c. *Assisting in the development and coordination of operating and capital budgets, including making available relevant financial information, analysis and advice to Town boards and departments in the preparation of their respective budgets, reviewing of all such budgets for format, completeness and accuracy before submission to the Advisory Committee, and providing training to board members and departmental staff in budgetary and financial matters;*

d. *Supplying financial information and analysis to the Advisory Committee and otherwise acting as a direct resource to the Advisory Committee, in order to enable the Advisory Committee to effectively evaluate the annual appropriations requests of all Town boards in accordance with the Advisory Committee's responsibilities under Article 11 of the bylaws.*

[re-designate existing clauses d., e. and f. as clauses e., f. and g.]

Complementing this change, we propose to change Bylaw 11.5 which affects the Advisory Committee to read substantially as follows (*changes are in italics*):

11.5. Staff. The Committee shall appoint such staff as it deems necessary. *The Committee shall also be assisted by the Department of Financial Services for the purposes and in the manner described in Section 19.41(d) of the bylaws.*

Recommendation #4 -Townwide administrative services to boards and departments

Newly elected or appointed board and committee members need orientation in building budgets, interpreting financial statements, and understanding responsibilities under relevant state laws and Town bylaws. New department employees need assistance and training in budget management, financial analysis, and Town procedures.

We recommend that the Office of the Executive Director provide augmented or additional central administrative services to boards and department heads in areas such as training department heads and key department staff and providing orientation for board members with respect to townwide policies and procedures and state and federal regulations and mandates which affect all departments. In addition, we recommend that the Office of the Executive Director provide guidance and training to all departments in accessing their own financial and accounting information through the Town's MUNIS accounting system, creating

reports and extracting data through MUNIS, and acting as a clearinghouse for information useful generally to Town departments.

Several department heads suggested to us that these kinds of administrative services would be of considerable assistance to departments in carrying out their respective missions and, being townwide in nature, would best be provided by the Office of the Executive Director. In the future, the Selectmen and the Executive Director may be able to identify additional categories of administrative services, not otherwise assigned by law to a particular board, which might also be effectively and efficiently delivered to the various departments through the Executive Director's Office.

To accomplish an enhanced administrative role for the Executive Director, we propose to change the relevant Bylaw, 19.31, to read substantially as follows (*changes are in italics*):

19.31. Executive Director of General Government Services. The Town shall have an Executive Director of General Government Services (the "Executive Director") who shall be appointed by the Selectmen. The Executive Director shall be responsible, subject to these bylaws, to the Selectmen for the proper management and administration of the functions, officials and departments under the jurisdiction of the Selectmen and shall be the chief financial officer of the Town. The Executive Director shall have such specific duties and delegations as the Selectmen may from time to time specify *or as may otherwise be specified in these bylaws.*

In addition, the Executive Director shall (i) coordinate the activities of Town departments and arrange meetings between Town department heads in order to deal with common problems and allow an interchange of ideas and information, (ii) *provide training and orientation to board members and department heads and staff with respect to budgetary and financial matters, Townwide policies and procedures, State and federal regulations and mandates and similar subjects, and (iii) at the direction of the Selectmen and the request of any affected boards or departments, provide other central administrative services not otherwise assigned under these bylaws or the Massachusetts General Laws to any specific board or department.*

The Executive Director shall act for the Selectmen in any matter that they may delegate to the Executive Director relating to the affairs of the Town or of any office or department under their supervision. When doing so, the Executive Director acts with the authority of the Selectmen.

Recommendation #5 - Additional term of service on Advisory Committee

Currently, appointments to the Advisory Committee are limited to one three-year term. Advisory, boards, and Town Meeting Members have made suggestions to us which explore how the Town could continue to benefit - for a modest period of time - from knowledgeable and experienced Advisory members for continuity, process, and historical context. To balance the need for renewal against the value of experience, we are proposing that the Moderator be allowed to appoint Advisory members for up to one additional full three-year term.

We propose to change the relevant Bylaw, 11.2, to read substantially as follows (*changes are in italics*):

11.2. Term. The term of office shall be three years, commencing on July 1. *No member of the Committee shall serve more than six consecutive years.*

Comment on the process for handling citizen inquiries

In our report to the 2003 Annual Town Meeting, we recommended that the Selectmen "develop policies and procedures to improve the Town's systems for receiving and acting upon inquiries, requests or suggestions from residents regarding Town services or programs." This year, the Selectmen proposed but later withdrew a capital item for FY 2005 to "custom design a Customer Service Tracking software solution or purchase an off the shelf software product and customize it to the Town's needs." We thank the Selectmen for exploring such a solution and urge them to continue their efforts to complete and deploy such a system to serve the Town as a whole.

Conclusion

We thank all who have contributed their time and thought in helping us develop our recommendations. We will continue to receive comments from boards, departments, and others in the weeks before Town Meeting and will carefully consider all input before our final proposals to Town Meeting.

Respectfully submitted,

TOWN GOVERNMENT STUDY COMMITTEE

Richard tenHylck, Chairman
Michael Brown
David Dinwoodey
Margaret Metzger
Sheila Morse
Betsy Snyder
Judy Weil

Appendix A Town Clerk's Record

Article 20 of the Warrant for the 2003 Annual Town Meeting

April 8, 2003

Sheila Morse, Town Meeting Member Precinct D, member of the Town Government Study Committee, offered, and David Dinwoodey, Chairman of the Town Government Study Committee spoke in support of, the following motion, action on which was Voted, unanimously by voice vote, that this Town Meeting hereby approves in principle the recommendations of the Town Government Study Committee regarding suggested improvements to Town government, which are set forth on pages 9-12 of the Committee's Report to Town Meeting dated March 24, 2003.

THAT the Town Government Study Committee shall continue in existence for an additional one-year period through the conclusion of the 2004 Annual Town Meeting, with the Moderator being authorized to re-appoint any or all existing Committee members or appoint any or all new members, in each case in her discretion, to serve for such second year, for the purpose of developing a proposed plan to implement the recommendations set forth in its Report to Town Meeting. The plan of implementation should encompass (i) the designated responsibilities of the Board of Selectmen, the Executive Director and other boards, committees and departments in carrying out each process or proposal described in the recommendations, (ii) the specified procedures for administering each such process or proposal on an ongoing basis, including internal timelines and reporting requirements where appropriate, (iii) any proposed by-law changes in connection with such implementation, and (iv) a timetable for the full implementation of the recommendations. The Committee shall actively collaborate with all boards, committees and departments in preparing the implementation plan, and all boards, committees and departments are requested to cooperate fully with the Committee for this purpose. The Committee shall hold at least two public hearings during the preparation of its implementation plan.

THAT the Committee shall report its proposed plan of implementation to the 2004 Annual Town Meeting, and shall at that time offer for adoption any by-law changes in connection therewith, all in order to permit such plan of implementation to be promptly carried out if approved by the 2004 Annual Town Meeting.

THAT, in the course of its work during the ensuing year, the Committee may also study and make recommendations to the 2004 Annual Town Meeting regarding any further improvements to the organization and structure of Town government, in addition to those embodied in its current recommendations.

Report to the Annual Town Meeting Citizens Petition Article 31

In brief summary, the Town Bylaw amendments proposed under Article 31

- define operating and capital budgeting information that is to be prepared and used as the basis of making Town-wide operating budget decisions, and
- make sure that the Town-wide budgeting process starts early enough to reach operating budget decisions in a timely and thoughtful manner.

The proposals are intended by their proponent to be viewed as an alternative to the recommendations of the Town Government Study Committee on processes for strategic planning, capital budgeting and Town-wide operating budgeting. The proponent believes the proposals under this Article 31 are simpler in implementation and more consistent in operation with the Town's tradition of decentralized, independent boards.

Why should any actions be taken to "fix" Town-wide budgeting? Who are the players that can contribute to improving Town-wide budgeting? What are the specific proposals? How do they improve the process? The following sections will address these topics.

Why?

Town-wide budgetary challenges have reached the stage where some rethinking of the approaches used by the Town is indicated. Two symptoms in particular stand out:

- lack of a recognized, timely process to resolve Town-wide budget and override issues; and
- a "near miss" last spring, when the override vote passed by the slimmest of margins.

The various boards recently submitted their FY05 departmental budgets to Advisory in a timely manner. The January 30 "sources & uses of funds" schedule forecast an FY05 Town-wide deficit of about \$1.4 million. Everyone seems to expect an override request, but the boards did not begin to meet on this subject until February 12. The stated purpose of the February 12 meeting was to gather input, including citizen input, on the Town-wide budget and projected deficit. This is a laudable purpose (and, in fact, is one of several well intended actions taken by the Board of Selectmen over the past few months). But surely 5½ weeks before Town Meeting is due to start is the time to be nearing a conclusion on Town-wide budgeting matters, not the time to be getting off the ground! What is the next step in the process? There is no process or expectation as to how, by whom, and by when the following questions should be answered:

- Should the deficit be reduced, to lower the override request? (How much "pain"?)
- If the deficit is to be cut, which budgets should be reduced? (How should "pain" be shared?)

The absence of any "expectations" as to how these key questions in the Town-wide budget process should be addressed strikes the proponent of Article 31 with both surprise and chagrin. Surprise because there do exist clear expectations for how the departmental budget process works (at least up to the point when deficit reduction requires departmental budget reductions). And chagrin because of a missed opportunity, as Chair of Advisory a year ago, to make any lasting contribution to setting such expectations.

A year ago now the Town faced a much larger deficit forecast of \$4.6 million for FY04. An initiative led by the Board of Selectmen, in which Advisory was asked not to participate, took five weeks to reduce the deficit to \$2.9 million. The "official" presentation to Advisory of the proposed override and the reduced departmental budgets took place on March 19, five days before the opening session of Town Meeting. Town Meeting Members were frustrated by their inability to create alternatives to proposals that were, almost literally, "hot off the presses". The override barely squeaked by the voters, with just 53% of the votes being in favor of passage.

If nothing else does, this brush with override failure should catch people's attention as to the deficiencies in Town-wide budgeting processes. A failed override vote last spring would have been exceedingly disruptive for the Town.

For FY03 and FY02, override requests of \$2.539 million and \$1.968 million were each voted on by Advisory in the first half of February, and received favorable recommendations. By and large, Advisory approved the Town-wide budgets for these two years pretty much as recommended by the boards. The Town's voters approved the overrides by comfortable margins in the springs of 2002 and 2001 respectively. The lesson to be learned here is not that Advisory should support what is put before it! Rather, the lesson is to reflect on what happens – or, more pointedly, on what doesn't happen – when Advisory resists what is put before it.

Resistance is the heart of careful thought. Concerned citizens should want assurance that future override requests have been carefully thought through, not just as to the desirability of the Town services that would be funded by the override, but also as to the likelihood of passage of the override and the consequences of its failure. Careful thought requires time, and it requires give-and-take among elected and appointed Town officials. Creating the time, and the opportunity for give-and-take, is the purpose of these proposals to improve Town-wide budgeting.

Who?

Before describing the proposals, and how they would improve the Town-wide budgeting process, it's worth spending a moment to define roles.

At the core of the budget process, each elected board requests funds from Town Meeting. The boards operate independently of one another, within their areas of jurisdiction. The Board of Selectmen is identified in the Town Bylaws as the "chief executive board" of the Town; in accordance with the principle of board independence, the Selectmen are generally viewed as "first among equals". Collectively, the elected boards constitute the "executive branch" of the Town's government.

The Town's Bylaws say that "Town Meeting shall be the legislative body of the Town." Town Meeting appropriates funds to the elected boards. Town Meeting does so in accordance with a balanced budget. That budget will assume receipt of revenues, including sufficient property tax revenue to bring the budget into balance.

Under Proposition 2½, the Town's voters must approve increases of more than 2½% in the Town's property tax levy. The same voters also elect, from among their fellow citizens, both board members and Town Meeting Members.

The Advisory Committee, according to the Town's Bylaws "shall consider all matters included within the articles of any warrant for a Town Meeting, and shall, after due consideration, publish a written report of its recommendation or comments on each article." The Bylaws also state that Advisory's report "shall be mailed or delivered to each dwelling in the Town at least seven days before the commencement of any Town Meeting." Advisory thus exists to advise! The immediate client for its advice is of course Town Meeting. On a broader level, the clear intent of the Town Bylaw is that all citizens of the Town should receive Advisory's advice.

What?

Article 31 proposes amendments to the Town's Bylaws to establish as part of the budget process two key reports to be presented and discussed at the Annual Town Meeting, and two time frames for producing and discussing that information prior to the Annual Town Meeting. The Selectmen, as Chief Executive Officers of the Town, are designated as presenters of this information on behalf of the boards; however, each board would retain its present authority to request its own budget funds from Town Meeting, in accordance with the Town's decentralized operating structure.

Reports: Under the proposals, the Selectmen would present to the Annual Town Meeting, prior to the consideration of any appropriation articles, two reports:

- a Town-Wide Financial Plan, in the familiar "sources and uses of funds" format; and
- a Five Year Capital Budget Program, as now required under Bylaw 19.5.2.

Taken together, these two reports provide a simple context in which to approach operating budget decisions. The Town-Wide Financial Plan compares the budget proposed for next year with the current year's budget, and then uses assumptions to

project budgets for future years. The Capital Budget Program identifies major proposed or anticipated projects on the Town's radar screen.

One new information requirement is to identify the impact on property tax rates of proposed operating budgets and emerging capital projects. Tax rate information – very concise, and highly informative – should be on the table when operating budget decisions are made.

Time Frames: The two time frame requirements, which ensure that the information in the above reports is developed and made public in an orderly way, are as follows:

- Selectmen to present reports to Advisory 60 days before Town Meeting
- Town Meeting to start in the first week of April

The most important time frame requirement is that the Selectmen present the Town-Wide Financial Plan and the Five Year Capital Budget Program to the Advisory Committee at least 60 days before Town Meeting begins. Within 30 days after this meeting, Advisory, the Selectmen and the various Town boards can each decide where they stand on the challenges of balancing the budget. Perhaps they can reach agreement. If not, they should know where they disagree, and why. In the remaining 30 days before Town Meeting, Advisory writeups and recommendations can be completed, and the Reports to the Annual Town Meeting can be printed and distributed. Town Meeting Members can then be duly informed of the decisions that lie on their plates.

A second proposed time frame change is to move the start date for the Annual Town Meeting into the first week of April. Doing so allows the month of January to be used by Advisory to review budgets of the various boards individually, and by the Selectmen and their staff to prepare the Town-wide reports and review them with the various boards before presenting them to Advisory. The months of February and March would then be used as described in the previous paragraph, for reviewing Town-wide budget issues with a view to balancing the budget (February), and for ensuring that Town Meeting Members are fully informed in a timely manner (March).

An additional 10 days is added to the budget timeline so that information submitted by the various boards can be assembled and distributed right at the beginning of January. As a result, the proposal requires that appropriation requests and capital budget information be submitted 100 days before the commencement of the Annual Town Meeting, rather than the current 90 days. As a practical matter, since the start date of Town Meeting is delayed by a week or two, budget information would be submitted in the same pre-Christmas time frame as at present.

How?

How would these proposals improve the Town-wide budgeting process? Adopting the Bylaw proposals under Article 31 would provide to the Advisory Committee:

- an early opportunity to review the information that will ultimately go to Town Meeting Members and to all citizens of the Town;
- sufficient time to consider this information, to form opinions based on it, and to recommend appropriate actions; and
- sufficient time to document their opinions and proposed actions and to share them with Town Meeting Members and with the public, as required by the Town's Bylaws.

The proposals would provide to Town Meeting Members:

- concise information relevant to making operating budget decisions at a Town-wide level;
- time to consider recommendations made by the Town's boards and by Advisory; and
- confidence in the process that produced the information and the recommendations.

Defining the Selectmen's "first among equals" role in Town-wide budgeting would encourage them to bring the boards together in the particular budgetary dimension in which they are not independent of one another: the raising of taxes. Elected officials, led by the Selectmen, are in the best position to assess the electorate's willingness to pay increased taxes of various amounts. The proposed Bylaws give the Selectmen an opportunity to make a statement on how the Town's budget should be balanced. The Selectmen can indicate whether they support asking the Town's taxpayers for the property taxes that would be required to support the boards' collective request for funds, or whether they believe that collective operating budget requests should be reduced.

If the full deficit in the Town-Wide Financial Plan can't be funded, then cuts must be made. How should the "pain" be distributed? The Advisory Committee, with its Town-wide perspective, is in a strong position to target budget reductions to the various independent boards. Working together, Advisory, the Selectmen and the boards will hopefully be able to reach agreement on the budgets that will be presented to Town Meeting. But even if agreement isn't reached, everyone in the Town will be better off if dialogue on balancing the Town-wide budget is based on solid information, occurs in a timely manner, and clarifies the issues coming before Town Meeting.

Conclusion

There is a clear expectation in the Town's budget process that departmental budgets should be brought before Advisory in a timely manner, with sufficient information to make their case. The Bylaw proposals under Article 31 invite the Board of Selectmen to take a leadership role in creating a similar clear expectation for Town-wide budgets: that the Town-wide budget also be brought before Advisory in a timely manner, with sufficient information to make its case. The Bylaws proposed under Article 31 use information and time to nourish operating budget decisions. The proposals are recommended for your careful consideration.

Specific Bylaw Proposals

Specific Bylaw proposals under Article 31 can be accessed at the Town of Wellesley Website, (www.ci.wellesley.ma.us), by clicking on the "What's New?" link on the Home Page. The Bylaw proposals will be in the most recently dated document that has "Article 31" in its title.